

**Offices of Arizona State Parks
1300 W. Washington St.
Phoenix, AZ**

Vice-Chair McNichol called the meeting to order at 1:19am.

Board Members Present: John Graham
Christopher McNichol
Taber Anderson
Jeff Swango (via teleconference)

(Note: The CAB is awaiting appointment of three more members.)

Board Members Absent: None

Staff Members Present: Annie McVay, Resource Planner
Dan Shein, Chief of Resource Management
Jay Ziemann, Assistant Director

Guests: Chris Ewell, City of Phoenix
Kroy Ekblaw, City of Scottsdale
Scott Hamilton, City of Scottsdale
Todd Graeff, Coconino County
Jeanne Trupiano, Coconino County

B. INTRODUCTION OF MEMBERS AND STAFF

Members and Staff introduced themselves.

D. ACTION ITEMS

1. Approval of minutes from August 11, 2010

Mr. Anderson moved to approve the minutes as presented. Mr. Graham seconded the motion, which carried with no further discussion.

**E. GRANT APPLICATION PRESENTATIONS AND
RECOMMENDATIONS**

Ms. McVay said that three applications had been received from the City of Phoenix, the City of Scottsdale, and Coconino County. The grant recommendations report shows the breakout of grant requests; total project costs requests, final appraisal amount, and total

amount recommended for award. Ms. McVay recommended voting on City of Phoenix and City of Scottsdale first and separating Coconino County because there may be more discussion due to an appraisal value appeal.

The first application was the City of Phoenix application, Sonoran Preserve, Priority 2D and 3A. Mr. Ewell, City of Phoenix, provided a brief description of the property.

The land consists of 1,139 acres with numerous washes, desert bajadas and steep, mountainous area south of Carefree Highway. These lands are adjacent to lands previously purchased/conserved as the Sonoran Preserve with Growing Smarter State Trust Land Acquisition Program funding. The Arizona Game and Fish Department has deemed the property important.

Mr. Swango asked if the appraised value of the property is consistent with last year. Mr. Ewell replied that it was lower. Mr. Anderson asked what the difference was between 2D and 3A. Mr. Ewell responded that it is an internal City of Phoenix designation used to prioritize the parcels since they knew they would be buying the properties in sections. Mr. McNichol asked what the City's plan is if the Growing Smarter funds are not available. Mr. Ewell replied he hopes the monies remain intact but that if needed the City would adjust by buying smaller parcels. He indicated if they had known the value would have come in at the rate they did, they would have applied for more this current year.

Ms. McVay noted that the next application was from the City of Scottsdale. Mr. Ekblaw, City of Scottsdale, provided a brief description of the property. He stated they have broken up the McDowell Sonoran Preserve into priority sections. This year will add 2,000 acres to an existing 2,000 acres and will total 18,000 acres when acquisitions are finally complete. These parcels include Cone Mountain, undulating terrain, vegetation, equestrian and hiking trails both existing and planned.

It was asked if there was any private land left to acquire in the preserve. Mr. Ekblaw indicated there was but it was less than 10 acres. The balance of 18,000 acres is State Trust Land.

Mr. Anderson moved to approve funding for the following two projects:

- Up to \$20,000,000 to the City of Phoenix for the purchase of 1,138(+/-) acres of the Phoenix Sonoran Preserve – Priority 2D and 3A
- Up to \$25,000,000 to the City of Scottsdale for the purchase of 2,000 acres of the McDowell Sonoran Preserve

The final grant amounts will be based on the Arizona State Land Department (ASLD) final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. If the auction takes place after October 26, 2010 the grant shall be awarded only if, after the November 2, 2010 election, money remains in the Growing Smarter fund sufficient to pay the grant award. I further move that this recommendation be forwarded to the Arizona State Parks Board for final action.

Mr. Graham seconded. Motion passed.

Ms. McVay went on to the next application from Coconino County for Rogers Lake. Ms. McVay said we should start the discussion with a description of the property before moving on to any discussion regarding the appraised value.

Mr. Graeff, Coconino County, gave a description of the property. Rogers Lake in terms of ecological significance is one of the most significant in Northern Arizona. In 2001, when the City of Flagstaff and Coconino County completed a Land Use Plan, Rogers Lake identified this as a priority for conservation and the voters passed a ballot to preserve open space – Rogers Lake was listed on this ballot. Rogers Lake encompasses 2,249 acres containing the largest natural wetland between the San Francisco Peaks and the Mogollon Rim, surrounded by forested uplands. It is situated in Coconino County within 10 miles of the City of Flagstaff. The project will provide for protection of open space, wildlife habitat and unobstructed panoramic views of the San Francisco Peaks to the north and Woody Ridge to the south. Coconino County intends to manage Rogers Lake to 1) preserve the existing open space, 2) protect and enhance wetland and upland habitats for both plant and animal communities, c) provide opportunities for environmental education and scientific research and d) offer opportunities for the public to experience wildlife viewing and enjoy low-impact recreational activities.

It was asked why part of the lake is outside the bounds of the purchase. Mr. Graeff explained the parts of the lake outside the bounds are either Forest Service land or private land. It was asked if this would affect the ability to manage the values of the lake. Mr. Graeff stated the County had relationships with these parties and there is a Rogers Lake Stakeholder Group that has decided on consensus objectives.

Ms. McVay stated there is discussion and differing perspectives over the appraisal value of the property. The original appraisal value commissioned by the State Land Department estimated the value at \$39 million. Coconino County felt his value was high and appealed the appraisal. The State Land Department's Appraisal Board heard the appeal last Thursday, August 5, 2010. The Appraisal Board ruled an appealed value at \$11.8 million. The Land Commissioner then set a minimum auction bid for the property at \$18 million.

Mr. McNichol asked if CAB were to approve the \$21 million originally listed as Staff Recommendation, what the impacts would be. Ms. McVay replied it would give Coconino County the most flexibility. Staff is recommending today approving half of the minimum auction bid of \$18 million plus 10% eligible costs. It was asked if the price went over \$18 million, what Coconino County's options would be in regards to matching funds. It was stated that it is unlikely the price set by the Land Commissioner would increase. If Coconino County continues it's appeal it may reduce but it's hard to imagine it would increase. If the price at auction goes up from the minimum bid, Coconino County would be responsible for the difference. The Growing Smarter policy has been to fund half of the appraised value or in this case half the minimum auction bid but not any bidding increase that may happen at the auction.

CAB discussed the options of what number to fund; the original appraised value (\$39 million), the Board of Appeals value (\$11.8 million) or the price set by the Land Commissioner (\$18 million). The Board clarified that their role was to determine the conservation values of properties to be purchased with Growing Smarter Funds and it was not our role to determine appraisal value of the properties.

There was discussion over the amount that could be reimbursed; it was recommended by the Attorney General Representative that the Growing Smarter Funds can be applied towards half of the appraised value or minimum bid set at auction plus 10% eligible costs. The Board discussed if they stick with the original intent of the program, which was the final appraisal value or go to the set by the Land Commissioner. The Board decided they felt going with the original appraisal that was approved by the Land Commissioner would be in line with the mechanics of the program and consistent with the language they used for all past approvals including the two earlier today. The Board expressed they were not taking a stance on the value of the land, they felt the appropriate value would be determined through the processes of the Land Department and Coconino County and approving the original number would provide the most flexibility to the applicant.

Mr. Graham moved to approve funding for the following project:

- Up to \$21,000,000 to Coconino County for the purchase of 2,249 acres of Rogers Lake

The final grant amounts will be based on the Arizona State Land Department (ASLD) minimum bid at auction, plus no more than 10% for eligible associated costs. If the auction takes place after October 26, 2010 the grant shall be awarded only if, after the November 2, 2010 election, money remains in the Growing Smarter fund sufficient to pay the grant award. I further move that this recommendation be forwarded to the Arizona State Parks Board for final action.

Mr. Graham noted for the record CAB is not taking a position on the appraisal value of the property.

Mr. Anderson seconded. Motion passed.

G. CALL TO THE PUBLIC

No public comment.

H. SUMMARY OF CURRENT EVENTS, MATTERS OF BOARD PROCEDURE, REQUESTS AND ITEMS FOR FUTURE AGENDA

Mr. Ziemann informed the Board they were invited to the November 17, 2010 Parks Board meeting to provide an update on CAB's activities. CAB requested a summary of how the Growing Smarter Land Conservation Fund has been spent over the past decade. This would be an important report to showcase the success of the fund. Staff agreed and will put this together.

I. TIME AND PLACE OF NEXT MEETING

Conservation Acquisition Board – Meeting of August 11, 2010

To be determined.

J. ADJOURNMENT

Chair McNichol adjourned the meeting at 2:10 pm.